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C O N F I D E N T I A L SECTION 01 OF 03 HANOI 000537

SENSITIVE
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TAGS: [PGOV](#) [PREL](#) [PHUM](#) [ECON](#) [ESTH](#) [EMIN](#) [EINV](#) [SENV](#) [CM](#) [VM](#)
SUBJECT: BAUXITE CONTROVERSY PRODUCES LEADERSHIP DIVISIONS,
VIBRANT NATIONAL ASSEMBLY DEBATE

REF: A. HANOI 413
[1](#)B. HANOI 417
[1](#)C. HANOI 378

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Classified By: CDA Virginia Palmer. Reasons: 1.4 (b/d)

[1](#)1. (C) SUMMARY: The highly charged -- and unusually open -- public debate over plans to develop bauxite in the Central Highlands has led to spirited discussions in the National Assembly (NA), Vietnam's historically quiescent semiannual legislature, with some deputies openly questioning government decisions and demanding a larger role in reviewing policy. The NA's question/answer sessions have received surprisingly wide media coverage, perhaps reflecting the array of prominent figures that continue to voice opposition -- from General Vo Nguyen Giap to Catholic Cardinal Pham Minh Man. Chinese involvement has given criticism of the project a nationalist patina. Increasingly, there are also signals of dissension within the upper ranks of Vietnam's collective leadership; it is still early days, but well-connected contacts assert that bauxite may become a proxy for competition between the two leading contenders for CPV primacy, Prime Minister Nguyen Tan Dung and Standing Secretary Truong Tan Sang, in the run-up to the Eleventh Party Congress in 2011.

[1](#)2. (C) COMMENT: Although the National Assembly has become more assertive in recent sessions, it ultimately gets direction from the CPV. (This is particularly true of national-level policy issues, and bauxite certainly now qualifies as such.) The fact, then, that the National Assembly, set to conclude on or around June 20, is reviewing the bauxite projects suggests that important elements within the Party may have serious second thoughts. A "compromise" is likely in the works, reflecting Sang's April 26 pronouncement limiting development, for the moment, to two pilot programs. And while no one pretends that the CPV won't continue to dictate terms, the interesting point is that the Party is acting as a consequence of public pressure and doing so through a national legislature that, however undemocratic, is increasingly hearing from constituents. END SUMMARY AND COMMENT.

The General Strikes Again, as Do Others

[1](#)3. (SBU) On May 20, Vietnam's revered military hero and Party patriarch, General Vo Nguyen Giap, submitted another forcefully worded letter to the CPV Central Committee and Politburo reiterating his opposition to the government's plans to mine bauxite in the Central Highlands (refs A and B). The letter, Giap's third, commended the Politburo for

"listening to the opinions of former high-ranking Party leaders and scientists" and for its decision to take into account environmental factors and concerns about "national security" (read: Chinese involvement). At the same time, Giap registered his disappointment that the Politburo had decided to continue with bauxite excavation, including preparatory work already underway, even on a more limited basis. Noting the potential impacts on Vietnam's "environment, economy, culture, society, security, and national defense," Giap urged the leadership to halt all bauxite development -- what he termed a "no excavation yet option" -- pending a thorough scientific and policy review. Only this way, he concluded, could the Party avoid "catastrophe."

14. (SBU) As before, news of Giap's letter -- and soon enough, the text itself -- reverberated through Vietnam's vibrant blog scene (ref. C), with nationalistic writers echoing the General's concerns. Other influential voices, such as the Archbishop of Saigon, Cardinal Pham Minh Man, renewed their opposition to the bauxite projects, and their views have also found their way onto the internet. As before (ref A), while some blogs feature relatively technical environmental and economic criticisms of the bauxite projects, many more focus on the involvement of Chinese labor and investment; these tend to have a sharply nationalistic tone. (Note: The most exhaustive collection of commentary can be found at www.bauxitevietnam.info/, which has recorded over 1.3 million page views. End note.)

BaDinh-ology and the Press

15. (C) Some of Vietnam's more politically savvy blogs have included tantalizing speculation about the impact of the

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bauxite controversy on elite-level factional politics. Most of the information is unverifiable; however, contacts with senior CPV connections indicate that PM Nguyen Tan Dung has come under pressure from within the Politburo. Dang Thanh Tam (protect), who as Chairman of Saigon Invest Group accompanied Dung to China in October 2008, affirmed that it was the Prime Minister who gave the green light for bauxite development to proceed following his meetings in Beijing. Now, with criticism mounting, PM Dung has been forced to fend off opposition, much of it coming from Dung's principal rival on the Politburo, CPV Standing Secretary Truong Tan Sang, according to Tam and others with elite-level Party ties. As the well-connected son of former General Secretary Le Duan, Le Kien Thanh (protect), explained, it is still too early for Dung and Sang to be seen as jockeying openly for primacy in advance of the 2011 Party Congress; in the meantime, though, bauxite serves as a convenient proxy.

16. (C) While the blogs roil, the mainstream media has surprisingly grown more nuanced in its coverage of the bauxite controversy. And this, according to press contacts, was in significant part due to an overt decision disseminated from senior levels. VietnamNet journalist Buy Van (protect) recounted how, initially, editorial staffs were expressly told not to cover the more controversial aspects of the bauxite projects. This order, he was given to understand, came directly from the Chairman of the CPV Propaganda and Education Commission, Politburo member To Huy Rua. Less than two weeks later, however, Rua's decision was (apparently) reversed, and editors were instructed to cover "both sides" of the issue. The source of this new directive was Standing Chairman Sang. (Comment: we could not corroborate this account, but other media sources confirm that Sang, ordinarily considered cautious, takes a close interest in the press and will on occasion intervene directly in editorial matters, though usually in a more conservative direction. In any case, as the official in charge of day-to-day Party operations, Sang would be one of a very few individuals in a position to counteract a media directive put out by Rua. End

comment.)

17. (SBU) Some of the more enterprising reporters apparently took the new marching orders as they were perhaps intended: newspapers such as Tuoi Tre began to "balance" parochial statements from local officials in the Central Highlands in support of bauxite development with sober, technical arguments explaining why the projects made little sense. A critical report prepared by the Ministry of Natural Resources and Environment detailing the potential environmental fallout from bauxite development, was for example, given fairly wide play. There was even coverage of General Giap's critical comments on bauxite to PM Dung on the occasion of the 55th anniversary of the French defeat at Dien Bien Phu.

Focus on the National Assembly

18. (SBU) This "balanced" approach has prevailed in the media's coverage of the National Assembly's debate, particularly after the Ministry of Industry and Trade (MOIT) submitted its May 23 report to the NA, as required by the April 26 Politburo directive announced by Standing Secretary Sang. As usual, VietnamNet's widely circulated e-newspaper provided the most thorough coverage, but other outlets such as Tuoi Tre also sought to contrast statements in favor of bauxite development from Central Highland provinces Dac Nong and Lam Dong with opinions from other deputies who oppose the project on environmental, economic, or "national security" grounds. Nguyen Minh Thuyet, a deputy from the Northwest Highlands province of Lang Son, criticized the economic rationale of the projects, in particular the high infrastructure and energy costs. Danh Ut, from the Mekong Delta province of Kien Giang, praised the MOIT report for providing more details, but expressed concern that "red mud" (a combination of iron, manganese, and soda discharged during the production of alumina) might contaminate the Mekong river system. Noting the significance of the projects, the Chairman of the NA Committee for Defense and Security, Le Quang Binh, called for a plenary debate on the bauxite projects during the current NA session, scheduled to conclude on or around June 20.

19. (C) Perhaps the most outspoken skeptic at the National Assembly has been Duong Trung Quoc, a prominent historian and "independent" (ie. non-Party) deputy from Dong Nai province (not surprisingly, just downriver from the projects). In comments carried live on Vietnam TV May 26, Quoc reiterated a

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number of outstanding questions about the projects and demanded to know why an issue of such pivotal importance was only now coming to the NA's attention. (Note: Quoc's statement can be seen at www.youtube.com/watch?v=rMQMe7USH8k. End note.) Speaking with us June 3, Quoc (protect) said that a number of deputies had conveyed their appreciation for his remarks, but admitted that they were too timid to speak out.

10. (C) Quoc affirmed that the National Assembly had assumed a more important policy role in recent years under current NA Chair Nguyen Phu Trong, continuing the even more dramatic advances made under Trong's predecessor Nguyen Van An. Quoc emphasized, however, that the National Assembly remains, fundamentally, an institution that receives its guidance from the Communist Party. (Note: 450 of the NA's 493 deputies are Party members, and this number includes all 160 members of the CPV Central Committee. End note.) The NA's evolution is not, Quoc insisted, a move away from one-Party rule; rather, it is a refinement, an attempt to institute an additional layer of checks and balances within a CPV-dominated system. Just as the state bureaucracies are assuming an increasing degree of autonomy in the day-to-day management of government, so too is the National Assembly taking on a greater oversight role. But, ultimately, both branches, the executive and the legislative, are dominated by the Party,

Quoc insisted.

The Bauxite Compromise, or Kicking the Can

¶11. (C) Quoc and other Embassy contacts, such as former MOIT Minister Tran Xuan Gia (protect), predicted that whatever the debate within the NA, the ultimate decision will confirm with the Politburo's guidance, as outlined by Standing Secretary Sang. In other words, the Tan Rai and Nhan Co developments will continue as "pilot projects" in Lam Dong and Dak Nong, respectively, but under stricter environmental, economic, and foreign-labor guidelines promulgated by PM Dung through MOIT.

Decisions on further developments will be deferred until after 2011, after the 11th Party Congress. In the meantime, NA deputies have pledged to do their best to ensure that the projects adhere to the guidelines. Whatever ensues, this will be an interesting experiment in the CPV's vaunted "intra-Party democracy."

¶12. (U) This cable was coordinated with ConGen HCMC.
PALMER